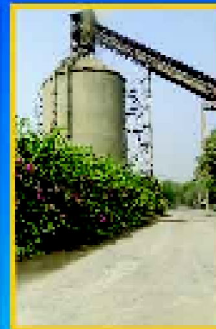


**UN-AUDITED INTERIM REPORT**  
**SEPTEMBER 30, 2019**



**FECTO CEMENT LIMITED**

*Builders Of A New World*

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**COMPANY INFORMATION****BOARD OF DIRECTORS**

Mr. Aamir Ghani	Chairman
Mr. Mohammed Yasin Fecto	Chief Executive
Ms. Saira Ibrahim Bawani	
Mr. Khalid Yacoob	
Mr. Mohammed Anwar Habib	
Mr. Jamil Ahmed Khan	
Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)	

**CHIEF FINANCIAL OFFICER**

Mr. Abdul Samad, FCA

**COMPANY SECRETARY**

Mr. Abdul Wahab, FCA

**LEGAL ADVISOR**

Mian Nisar Ahmed & Co. (MNACO)  
11-E/II, Main Gulberg  
Lahore

**REGISTERED OFFICE**

35-Darul Aman Housing Society  
Block 7/8, Shahrah-e-Faisal  
Karachi  
Website: [www.fectogroup.com](http://www.fectogroup.com)

**MARKETING OFFICE**

339, Main Peshawar Road  
Chairing Cross Service Road  
Westridge-1,  
Rawalpindi

**AUDIT COMMITTEE**

Mr. Jamil Ahmed Khan	Chairman
Mr. Rohail Ajmal	
Mr. Mohammed Anwar Habib	

**HUMAN RESOURCE & REMUNERATION COMMITTEE**

Mr. Jamil Ahmed Khan	Chairman
Mr. Khalid Yacoob	
Mr. Mohammed Anwar Habib	

**AUDITORS**

Rahman Sarfaraz Rahim Iqbal Rafiq,  
Chartered Accountants

**SHARE REGISTRAR**

F. D. Registrar Services (SMC-Pvt) Ltd.  
1705, 17th Floor, Saima Trade Tower-A  
I. I. Chundrigar Road  
Karachi-74000

**FACTORY**

Sangjani, Islamabad

**BANKERS**

Askari Commercial Bank Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Silk Bank Limited



## DIRECTORS' REVIEW

Your directors are pleased to present before you their report together with the un-audited financial results of the company for the Three Months ended September 30, 2019.

### OVERVIEW

During the period under review overall dispatches of cement industry witnessed a growth of 2.59% with total sales volume of 11.13 million tons as against the total sales volume of 10.85 million tons of same period last year. Local sales volume of the industry increased by 0.62% with dispatches of 9.12 million tons as against the sales volume of 9.02 million tons of same period last year, whereas exports of the industry increased by 12.52% with sales volume of 2.01 million tons as against the sales volume of 1.79 million tons of same period last year.

Overall sales volume of plants located in north part of the country increased by 7.54% out of which local sales volume increased by 9.13% whereas exports reduced by 7.79%. As against improved performance of north zone, overall sales volume of south zone plants reduced by 10.91% mainly due to negative growth in local sales volume by 32.10%, however, exports increased by 27.03% respectively.

### OPERATING PERFORMANCE

The production and dispatches of the Company for the period under review were as follows:

	-----TONS-----		
	2019	2018	CHANGE IN%
<b>Production</b>			
Clinker	154,159	139,658	10.38
Cement	<u>150,672</u>	<u>167,015</u>	<u>(09.79)</u>
<b>Dispatches</b>			
Local	124,147	150,154	(17.32)
Export	23,988	16,046	49.50
Total	<u>148,135</u>	<u>166,200</u>	<u>(10.87)</u>

During the period under review, production of clinker increased by 10.38% whereas production of cement decreased by 9.79% as compared to same period last year.

Overall sales volume of the Company decreased by 10.87% during the period under review, out of which local sales volume dropped by 17.32% whereas exports increased by 49.50%.



### FINANCIAL RESULTS

During the period under review, Company achieved gross local sales revenue of Rs. 1,203 million as against Rs. 1,502 million of same period last year reducing by 19.91% as against reduction in volume by 17.32%, meaning overall prices in local markets reduced sharply as compared to reduction in volume. The downward pressure on prices was so intense that the company couldn't even pass on impact of higher Federal Excise Duty (FED) which was increased to Rs. 2,000 per ton from Rs. 1,500 per ton. The Net local sales revenue thus reduced by 26.63% and reached to Rs. 741 million as against Rs. 1,010 million of same period last year. Exports revenue on the other hand increased to Rs. 155 million as against Rs. 93 million of same period last year registering increase of 66.18% as against increase in volume by 49.05%. Main reason for such increase was depreciation of Pak Rupee against USD.

Cost of sales during the period under review, reduced by 8.73% as against reduction in sales volume by 10.87%, meaning overall net increase in cost of sales by 2.14%. Cost of fuel and power increased by 13.80% in comparison to increase in production of clinker by 10.38% and decrease in cement production by 9.79%, increase in fuel and power cost was mainly because of increase in cost of power due to restricting Prime Minister's relief of Rs. 3 per KWH for industrial consumers to only during peak hours meaning only 4 hours as against 24 hours originally approved. In addition to that, imposition of further charges in different categories also increased cost of power. Cumulative effect of these charges was of Rs. 4.31 per KWH in cost of power. Cost of coal also increased due to shifting of coal unloading from KPT to PIBTL, where charges are based in USD. Coupled with that, implementation of Axle Load Regime also pushed up overall cost of production.

Reduction in selling price in local markets coupled with increase in cost of production due to reasons elaborated hereinabove, gross profit for the period reduced to Rs. 12 million as against Rs. 134 million of same period last year.

Increase in distribution costs was due to higher export sales volume resulting higher dealers' margins. The Company suffered loss before tax of Rs. 72 million and loss after tax of Rs. 53 million respectively for the period as against profit before tax of Rs. 43 million and profit after tax of Rs. 37 of same period last year respectively. Loss per share for the period was of Rs. 1.06 per share as against Earnings per share of Rs. 0.74 of same period last year.

### FUTURE OUTLOOK

Though off take of cement increased from plants located in north but fierce competition has resulted significant reduction in prices, seriously affecting profitability of the industry. Increase in cost of production due to multiple cost factors is also hampering the overall growth of the industry. These factors, coupled with slowdown in economic activities due to measures taken by the Government to curtail current account and fiscal deficit has also affected the industry. Depreciation of Rupees against USD will result better retention for exports.

#### ACKNOWLEDGEMENT

The Board would like to place on record their appreciation to all employees of the Company for their dedicated work and for dealers for their continued support. We are also thankful to the lenders for their co operation and regulators for their guidance.

On behalf of the Board



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR

Karachi: October 28, 2019



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2019

AS AT 30 SEPTEMBER 2019

		Un-audited 30 September 2019	Audited 30 June 2019
	Note	Rupees in thousand	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (June 2019: 75,000,000) Ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid-up capital			
50,160,000 (June 2019: 50,160,000) Ordinary shares of Rs. 10/- each		501,600	501,600
<b>Revenue Reserves</b>			
General Reserve		550,000	550,000
Accumulated profit		3,094,221	3,147,216
Unrealized gain on remeasurement to fair value		131,343	132,751
		3,775,564	3,829,967
		4,277,164	4,331,567
<b>Non-current liabilities</b>			
Liabilities against assets subject to Finance Lease	6	32,702	34,322
Deferred taxation	7	324,058	355,892
		356,760	390,214
<b>Current liabilities</b>			
Trade and other payables	8	475,905	320,896
Accrued Mark-up		366	363
Unclaimed Dividend		14,492	14,501
Unpaid Dividend		185	185
Current maturity of liabilities against assets subject to Finance Lease	6	8,411	8,837
		499,359	344,782
Contingencies and commitments	9		
<b>Total Equity and liabilities</b>		<b>5,133,283</b>	<b>5,066,563</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	10	1,917,461	1,946,434
Long Term Investment		317,850	319,650
Long term deposits		6,466	6,486
Long term loans and advances		10,976	12,606
		2,252,753	2,285,176
<b>Current assets</b>			
Stores and spares		827,754	765,829
Stock-in-trade	11	1,362,380	1,258,191
Trade debts - considered good		21,110	68,006
Short Term Investments	12	191,957	189,436
Short Term loan to a related party		75,000	40,000
Loans, advances, deposits, prepayments and accrued markup	13	36,436	106,545
Taxation - net		199,410	189,025
Cash and bank balances		166,483	164,355
		2,880,530	2,781,387
<b>Total Assets</b>		<b>5,133,283</b>	<b>5,066,563</b>

The annexed notes 1 to 17 form an integral part of these condensed financial statements.

  
**MOHAMMED YASIN FECTO**  
 CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
 DIRECTOR

  
**ABDUL SAMAD**  
 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

	Note	2019 Rupees in thousand	2018
Turnover - net	14	897,736	1,104,581
Cost of sales	15	(886,158)	(970,912)
<b>Gross Profit</b>		<b>11,578</b>	<b>133,669</b>
Administrative expenses		(61,898)	(68,729)
Distribution cost		(33,504)	(28,395)
Finance cost		(2,114)	(1,042)
Other income		14,346	10,378
		(83,170)	(87,788)
		(71,592)	45,881
Workers' funds		-	(3,165)
(Loss)/Profit before taxation		(71,592)	42,716
<b>Provision for taxation</b>			
Current		(12,845)	(17,768)
Deferred		31,442	12,003
		18,597	(5,765)
<b>(Loss)/Profit after taxation</b>		<b>(52,995)</b>	<b>36,951</b>
<b>Other comprehensive income for the period</b>			
Items that will not be reclassified subsequently to profit or loss			
Unrealized (Loss) on measurement of equity instrument at fair value through other comprehensive income		(1,800)	-
Related deferred tax charge		392	-
		(1,408)	-
<b>Total comprehensive (Loss)/income for the period</b>		<b>(54,403)</b>	<b>36,951</b>
			(Rupees)
<b>(Loss)/Earnings per share - basic &amp; diluted</b>		<b>(1.06)</b>	<b>0.74</b>

The annexed notes 1 to 17 form an integral part of these condensed financial statements.



*Mohammed Yasin Fecto*  
**MOHAMMED YASIN FECTO**  
 CHIEF EXECUTIVE

*Rohail Ajmal*  
**ROHAIL AJMAL**  
 DIRECTOR

*Abdul Samad*  
**ABDUL SAMAD**  
 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

	Share Capital Issued, Subscribed  & Paid up	Revenue Reserves			Total
		General Reserve	Accumulated Profit	Surplus on revaluation of investment in unquoted shares	
(Rupees in thousands)					
Balance as at 30 June, 2018	501,600	550,000	3,158,561	-	4,210,161
Total comprehensive income for the three months period ended September 30, 2018	-	-	36,951	-	36,951
<b>Balance as at September 30, 2018</b>	<b>501,600</b>	<b>550,000</b>	<b>3,195,512</b>	<b>-</b>	<b>4,247,112</b>
Total comprehensive income for the nine months period ended June 30, 2019	-	-	52,024	-	52,024
Profit after taxation	-	-	52,024	132,751	132,751
Other Comprehensive income	-	-	52,024	132,751	184,775
Transactions with owners					
Final Cash dividend @ 25% for the year ended 30 June, 2018	-	-	(100,320)	-	(100,320)
<b>Balance as at June 30, 2019</b>	<b>501,600</b>	<b>550,000</b>	<b>3,147,216</b>	<b>132,751</b>	<b>4,331,567</b>
<b>Total comprehensive (loss) for the three months period ended September 30, 2019</b>					
Loss after taxation	-	-	(52,995)	-	(52,995)
Other Comprehensive (loss)	-	-	-	(1,408)	(1,408)
	-	-	(52,995)	(1,408)	(54,403)
<b>Balance as at September 30, 2019</b>	<b>501,600</b>	<b>550,000</b>	<b>3,094,221</b>	<b>131,343</b>	<b>4,277,164</b>

The annexed notes 1 to 17 form an integral part of these condensed financial statements.

  
**MOHAMMED YASIN FECTO**  
 CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
 DIRECTOR

  
**ABDUL SAMAD**  
 CHIEF FINANCIAL OFFICER

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

	Note	2019 Rupees in thousand	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/Profit before taxation		(71,592)	42,716
<b>Adjustments for:</b>			
Depreciation		30,039	30,086
Provision for Workers' Profit Participation Fund		-	2,294
Provision for Workers' Welfare Fund		-	871
Interest income		(11,579)	(475)
Dividend income		(919)	(1,910)
Unrealized gain on re-measurement of investments		(1,740)	(937)
Finance cost		2,114	1,042
		<u>17,915</u>	<u>30,971</u>
<b>Operating (Loss)/Profit before working capital changes</b>		<b>(53,678)</b>	<b>73,687</b>
<b>Effect on cash flow due to working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores and spares and loose tools		(63,594)	(220,528)
Stock-in-trade		(104,189)	(13,255)
Trade debts		46,896	(827)
Loans, advances, deposits, prepayments and accrued markup		70,108	85,350
Increase in current liabilities			
Trade and other payables		155,006	150,429
Cash generated from operations		<u>50,549</u>	<u>74,856</u>
Taxes paid		(23,223)	(34,039)
Long term deposits		20	(4)
Long Term Loan and Advances		1,630	2,137
<b>Net cash generated from operating activities</b>		<b>28,976</b>	<b>42,950</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		-	(14,850)
Short Term Investment Made		(791)	-
Sale proceeds / Redemption of Short Term Investment		10	10
Short Term Loan to related party		(35,000)	-
Interest received		11,579	475
Dividend received		919	1,910
Sale proceeds of operating assets		600	-
<b>Net cash (used) in investing activities</b>		<b>(22,683)</b>	<b>(12,455)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment against lease obligation		(2,046)	(804)
Finance cost paid		(2,111)	(1,048)
Dividend paid		(9)	(16,020)
<b>Net cash (used) in financing activities</b>		<b>(4,166)</b>	<b>(17,872)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,128</b>	<b>12,623</b>
Cash and cash equivalents as at beginning of the period		164,355	472,804
Cash and cash equivalents as at end of the period		<u>166,483</u>	<u>485,427</u>

The annexed notes 1 to 17 form an integral part of these condensed financial statements.



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE

**ROHAIL AJMAL**  
DIRECTOR

**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER

**FECTO CEMENT LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

**1 STATUS AND NATURE OF BUSINESS**

Fecto Cement Limited ('the Company') was incorporated in Pakistan on February 28, 1981 as a public limited company under the repealed Companies Act, 1913 (Repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and subsequently by Companies Act, 2017 on May 30, 2017) with its registered office situated at 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, Sindh. The Company's Plant is located at Sangjani village Sangjani, Islamabad-4400. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is production and sale of Ordinary Portland Cement.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017: and Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is unaudited and is being submitted to the members of the Company as required under section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited as required by the Code of Corporate Governance.

This condensed interim financial information does not include all the information as required to be reported in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2019.

The comparative balance sheet presented in this condensed interim financial statements as at September 30, 2019 has been extracted from the audited financial statements of the Company for the year ended June 30, 2019, whereas the comparative profit or loss account, statement of comprehensive income, statement of changes in equity and the statement of cash flows are extracted from the unaudited condensed interim financial information for the three months period ended September 30, 2018.

**2.2 Functional and presentation currency**

This condensed interim financial information is presented in Pakistani Rupees which is the Company's functional currency and rounded off to the nearest rupee.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those adopted in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2019.

**4 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2019.

**5 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019.

**6 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE**

	Un-Audited September 30, 2019	Audited June 30, 2019
	— Rupees in thousand —	
Opening balance	43,159	18,403
Lease obtained during the period	-	29,474
Payments made during the period	<u>(2,046)</u>	<u>(4,718)</u>
	41,113	43,159
Less: Current maturity shown under current liabilities	<u>(8,411)</u>	<u>(8,837)</u>
	<u><u>32,702</u></u>	<u><u>34,322</u></u>



**6.1 The terms and conditions of the leases are as follows:**

Lease Case No.	121710500008	1218210500014	12190250027
Total number of installments	60	60	60
Frequency of payment	Monthly	Monthly	Monthly
Date of installment	6 Nov-17	3 Dec-18	12 Apr-19
Markup rate	6 month Kibor +2%	6 month Kibor +2%	3 month Kibor +2%
Date of maturity	6 Oct-22	1 Nov-23	12 Mar-24
Name of lessor	Askari Bank Limited	Askari Bank Limited	Askari Bank Limited
Nature of assets taken on lease	Motor Vehicle	Motor Vehicle	Motor Vehicle
Number of assets taken on lease	1	3	1

**6.2 Reconciliation of minimum lease payments to their present value**

	September 30, 2019			June 30, 2019		
	Minimum lease payments	Finance Charges	Present value of Minimum Lease Payments	Minimum lease payments	Finance Charges	Present value of Minimum Lease Payments
Not later than one year	14,212	5,801	8,411	13,505	4,668	8,837
Later than one year and not later than five years	41,288	8,586	32,702	42,484	8,162	34,322
	<u>55,500</u>	<u>14,387</u>	<u>41,113</u>	<u>55,989</u>	<u>12,830</u>	<u>43,159</u>

**Un-Audited**                      **Audited**  
**30 September**                      **30 June**  
**2019**                                      **2019**  
 ————— Rupees in thousand —————

**7 DEFERRED TAXATION****Taxable temporary differences arising in respect of :**

Accelerated tax depreciation	286,717	322,232
Unrealized gain on long term investment	36,507	36,899
Unrealized gain on short term investment	487	52
Carry forward Tax Losses	2,970	-
Lease liability net of leased assets	2,412	2,123

**Deductible temporary difference arising in respect of**

Provision against slow moving and obsolete spares	(3,599)	(3,978)
Provision for bad debts	(1,436)	(1,436)
	<u>324,058</u>	<u>355,892</u>

	Un-Audited September 30, 2019	Audited June 30, 2019
	Rupees in thousand	
<b>8 TRADE AND OTHER PAYABLES</b>		
<b>Creditors for Goods:</b>		
Other creditors	92,233	34,948
Associated company	47,889	16,216
	<u>140,122</u>	<u>51,164</u>
Accrued expenses	85,497	98,769
Provision for compensated absence	28,318	25,192
Payable to Provident Fund	4,068	4,093
Workers' Profit Participation funds	7,087	7,087
Workers Welfare Fund	43,284	43,282
Advance from Customers - unsecured	42,937	51,641
Security deposits payable	10,372	10,297
Excise duty payable	48,700	5,779
Withholding Income tax	3,345	3,231
Sales tax payable	32,595	1,411
Other liabilities	29,580	18,950
	<u>475,905</u>	<u>320,896</u>

**9 CONTINGENCIES AND COMMITMENTS****9.1 Contingencies**

There were no change in the status of contingencies at the period end as disclosed in the annual audited financial statements for the year ended June 30, 2019.

**9.2 Commitments**

Commitments in respect of outstanding letters of credit as at September 30, 2019 amounted to Rs. 8.153 Million ( June 30, 2019: Rs. 121.015 million).

	Un-Audited September 30, 2019	Audited June 30, 2019
	Rupees in thousand	
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating Assets	10.1 1,723,356	1,753,998
Capital Spares	194,105	192,436
	<u>1,917,461</u>	<u>1,946,434</u>

**10.1** During the three months period ended September 30, 2019 the Company acquired property, plant and equipment aggregating Rs. Nil ( June 30, 2019: Rs. 7.127 million )



		Un-Audited September 30, 2019	Audited June 30, 2019
		Rupees in thousand	
<b>11 STOCK IN TRADE</b>			
Finished goods		60,711	36,507
Work-in-process		345,188	266,851
Raw Material		922,362	933,625
Packing Material		34,119	21,208
		<u>1,362,380</u>	<u>1,258,191</u>
<b>12 SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
<b>Units of open-end mutual fund</b>			
<b>Cost</b>			
NBP - NAFA		57,842	57,842
UBL - AICF		<u>32,207</u>	<u>31,416</u>
		90,049	89,258
Unrealized gain on remeasurement		<u>1,948</u>	<u>208</u>
	12.1	<u>91,997</u>	<u>89,466</u>
<b>Financial assets at cost</b>			
Privately Placed Term Finance Certificates	12.3	<u>99,960</u>	<u>99,970</u>
		<u>191,957</u>	<u>189,436</u>
<b>12.1 Gain on re-measurement of investment at fair value through profit or loss - held for trading</b>			
<b>Units of open-end mutual fund</b>			
Market Value		91,997	89,466
Cost of Investment		<u>90,049</u>	<u>89,258</u>
		<u>1,948</u>	<u>208</u>
<b>12.2 Unrealized gain/(loss) on the re-measurement of investment carried at fair value through profit or loss-held for trading</b>			
At the beginning of the period / year		208	3,791
Net unrealized gain / (loss) in the value of investment for the period /year		<u>1,740</u>	<u>(3,583)</u>
Cumulative Unrealized Gain		<u>1,948</u>	<u>208</u>

**12.3** These represents investment in Term Finance Certificates (TFCs) having face value of Rs. 5,000 issued by Silk Bank Limited carrying markup rate of 6-month KIBOR plus 1.85% (2019: 6-month KIBOR plus 1.85%) and are unsecured. Repayments, including principal and markup, are made semi annually.

Un-Audited September 30, 2019	Audited June 30, 2019
Rupees in thousand	

**13 LOANS, ADVANCES, DEPOSITS,  
PREPAYMENTS AND ACCRUED MARKUP**

Current portion of long term loans		
-unsecured, considered good	6,386	5,124
Advances to Suppliers and contractors		
-unsecured, considered good	17,605	10,171
Margin against Bank Guarantee	11,000	11,000
Advance Sales Tax and FED	-	78,080
Deposits	40	-
Prepayments	1,405	2,170
	<u>36,436</u>	<u>106,545</u>

Un-Audited Three months ended September 30, 2019	2018
Rupees in thousand	

**14 TURNOVER-NET**

Local	1,202,636	1,501,852
Less: Discounts & Rebates	17,349	27,589
Federal Excise duty	248,293	225,232
Sales tax	195,905	238,914
	<u>461,547</u>	<u>491,735</u>
	741,089	1,010,117
Export	154,534	92,993
Export Rebate	2,113	1,471
	<u>156,647</u>	<u>94,464</u>
	<u>897,736</u>	<u>1,104,581</u>





	Un-Audited Three months ended September 30,	
	2019	2018
	Rupees in thousand	
<b>15 COST OF SALES</b>		
<b>Raw and packing material consumed:</b>		
Opening stock	954,833	846,140
Purchases	129,954	124,415
Excavation and Transportation cost	26,601	73,482
	<u>1,111,388</u>	<u>1,044,037</u>
Closing stock	(956,481)	(871,477)
	<u>154,907</u>	<u>172,560</u>
Fuel and power	666,301	585,482
Stores and spares consumed	23,409	45,677
Salaries, wages and benefits	97,314	111,888
Insurance	6,682	6,452
Repairs and maintenance	1,438	673
Depreciation	20,406	20,220
Other manufacturing overheads	18,242	15,878
	<u>988,699</u>	<u>958,830</u>
Opening work-in-process	266,851	441,613
Closing work-in-process	(345,188)	(418,887)
Cost of goods manufactured	<u>910,362</u>	<u>981,556</u>
Opening finished goods	36,507	41,288
Closing finished goods	(60,711)	(51,932)
	<u>886,158</u>	<u>970,912</u>

**16 TRANSACTIONS / BALANCES WITH RELATED PARTIES**

The related parties comprise of Frontier Papers Products(Private)Limited, key management personnel of the Company and directors and their close family members and staff provident fund. Transactions with related parties during the year other than those disclosed elsewhere in the financial statements are as follows:

	Un-Audited September 30, 2019	Audited June 30, 2019
	Rupees in thousand	
<b>Frontier Paper Products (Private) Ltd.</b>		
Balance as at the beginning of the period / year	16,216	7,371
Purchases during the period / year	104,946	483,413
Payment during the period / year	(73,273)	(474,567)
Balance as at the end of the period / year	<u>47,889</u>	<u>16,216</u>
Loan disbursed during the period / year	<u>35,000</u>	<u>40,000</u>
Loan outstanding at the end of the period / year	<u>75,000</u>	<u>40,000</u>
Interest outstanding at the end of the period / year	<u>2,934</u>	<u>995</u>

	Un-Audited Three months ended September 30,	
	2019	2018
	Rupees in thousand	

Interest Charged during the period	<u>2,934</u>	<u>-</u>
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**Key Management Personnel**

## Transactions during the period

Remuneration of the Chief Executive	9,000	10,820
Directors' meeting fee	25	30
Remuneration of executives	40,747	43,111
Loans settled	10	15

	Un-Audited September 30, 2019	Audited June 30, 2018
	Rupees in thousand	

**Outstanding balance at period / year end**

Loan receivable	<u>275</u>	<u>325</u>
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	Un-Audited Three months ended September 30,	2018
	2019	
	Rupees in thousand	

**Others**

## Transactions during the period

Contribution to employees' provident fund	<u>5,337</u>	<u>5,044</u>
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	Un-Audited September 30, 2019	Audited June 30, 2018
	Rupees in thousand	

**Outstanding balance at period / year end**

Contribution payable to employees' provident fund	<u>4,068</u>	<u>3,783</u>
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**17 GENERAL**

- 17.1** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and better presentation.
- 17.2** These condensed interim financial statements do not include the effect of Final Cash Dividend @ 5% for the year ended June 30, 2019 which has been approved in the Annual General Meeting held on October 28, 2019.
- 17.3** These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on October 28, 2019.

  
**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
DIRECTOR

  
**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER

اس سہ ماہی کے دوران گزشتہ سال اسی عرصے کے مقابلے میں تقسیم مال کی لاگت میں اضافہ برآمدات بڑھنے کی وجہ سے ڈیلر کے منافع میں اضافے کی وجہ سے ہے۔ زیر نظر دورانیے میں کمپنی کو ٹیکس ادائیگی سے پہلے 72 ملین روپے اور ٹیکس ادائیگی کے بعد 53 ملین روپے کا خسارہ ہوا۔ جب کہ گزشتہ سال اس عرصے کے دوران ٹیکس ادائیگی سے پہلے 43 ملین روپے اور ٹیکس ادائیگی کے بعد 37 ملین روپے کا صافی منافع حاصل ہوا تھا۔ اس عرصے میں خسارہ فی حصص 1.06 روپے رہا۔ جب کہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 74 پیسے رہی۔

### مستقبل پہ نظر

اگر چہ شمالی زون میں واقع پلانٹس سے سیمنٹ کی فروخت میں اضافہ ہوا لیکن سخت مقابلہ ہونے کی وجہ سے قیمتوں میں غیر معمولی کمی ہوئی جس کی وجہ سے صنعت کے منافع پر کافی اثر پڑا۔ مختلف وجوہات کی بنا پر پیداواری اخراجات میں ہونے والے اضافے سے بھی صنعت کی نمو متاثر ہو رہی ہے۔ ان وجوہات کے ساتھ ساتھ معاشی سرگرمیوں میں سست روی جس کی بنیادی وجہ حکومت کی جانب سے جاری کھاتے اور مالیاتی خسارے کو کنٹرول کرنے کے اقدامات نے بھی سیمنٹ کی صنعت کو متاثر کیا۔ روپے کی قدر میں ڈالر کے مقابلے میں کمی کی وجہ سے برآمدات میں اضافے کی توقع ہے۔

### اظہار تشکر

ڈائریکٹر کمپنی کے ملازمین کا کمپنی کے لیے ان کے خلوص نیت سے کام کرنے پر اور ڈیلرز کی کاوشوں کے بھی تہ دل سے مشکور ہیں نیز مالیاتی اداروں کے تعاون پر بھی ان کے شکر گزار ہیں۔

منجانب بورڈ



روحیل اجمل  
ڈائریکٹر



محمد یسین فیکرو  
چیف ایگزیکٹو

بمقام کراچی: 28 اکتوبر 2019

زیر نظر دورانیے میں گزشتہ سال کے اسی عرصے کے مقابلے میں کلنٹر کی پیداوار میں 10.38 فیصد کا اضافہ، جبکہ سیمنٹ کی پیداوار میں 9.79 فیصد کی کمی ریکارڈ کی گئی۔

کمپنی کی فروختگی کے مجموعی حجم میں زیر نظر دورانیے کے دوران 10.87 فیصد کی کمی ریکارڈ کی گئی۔ مقامی سطح پر فروختگی کے مجموعی حجم میں 17.32 فیصد کی کمی ہوئی۔ جبکہ گزشتہ سال کے اسی عرصے کے مقابلے میں برآمدات میں 49.50 فیصد کا اضافہ ریکارڈ کیا گیا۔

## مالیاتی نتائج

زیر نظر دورانیے کے دوران مقامی مجموعی فروختگی سے کمپنی نے 1,203 ملین روپے کی آمدن حاصل کی جبکہ گزشتہ سال اسی عرصے کے دوران مقامی مجموعی فروختگی سے حاصل ہونے والی آمدن 1,502 ملین روپے تھی۔ اس لحاظ سے اس آمدن میں 19.91 فیصد کی کمی ریکارڈ کی گئی۔ جب کہ اسی عرصے کے دوران مقامی فروختگی کے حجم میں 17.32 فیصد کی کمی ریکارڈ کی گئی۔ جس کا مطلب ہے کہ قیمتوں میں کمی کے اعتبار سے کافی کم ریکارڈ کی گئی۔ قیمتوں میں کمی کا دباؤ شدید ہونے کی وجہ سے کمپنی فیڈرل ایکسائز ڈیوٹی میں ہونے والا اضافہ جو کہ 1500 روپے فی میٹرک ٹن سے 2000 روپے فی میٹرک ٹن ہو گئی ہے صارفین کو منتقل نہ کر سکی۔ نتیجتاً مقامی سطح پر خالص آمدن 26.63 فیصد کم ہو کر 741 ملین روپے رہی۔ جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 1,010 ملین روپے تھی۔ جب کہ دوسری جانب برآمدات سے حاصل ہونے والی آمدن اس عرصے کے دوران 66.18 فیصد اضافے کے ساتھ 155 ملین روپے رہی جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 93 ملین روپے رہی۔ جب کہ اسی عرصے کے دوران برآمدات کے حجم میں 49.05 فیصد کا اضافہ ہوا۔ اس طرح سے برآمدات کی قیمتوں میں بہتری ہوئی جس کی بنیادی وجہ پاکستانی روپے کی قدر میں ڈالر کے مقابلے میں کمی ہے۔

زیر نظر دورانیے میں لاگت برائے فروختگی میں 8.73 فیصد کی کمی ہوئی۔ جب کہ فروختگی کے حجم میں 10.87 فیصد کی کمی ریکارڈ کی گئی جس کا مطلب ہے کہ مجموعی لاگت میں 2.14 فیصد کا اضافہ ہوا۔ ایندھن اور بجلی کی لاگت میں 13.80 فیصد کا اضافہ ہوا۔ جب کہ اس عرصے کے دوران سیمنٹ کی پیداوار میں 9.79 فیصد کی کمی اور کلنٹر کی پیداوار میں 10.38 فیصد کا اضافہ ہوا۔ ایندھن اور بجلی کی لاگت میں اضافے کی سب سے بڑی وجہ وزیراعظم کی جانب سے صنعتی صارفین کو دی جانے والی 3,00 روپے فی کلوواٹ کی رعایت جو چوبیس گھنٹے کے لیے مخصوص تھی اسے کم کر کے صرف چار گھنٹے تک محدود کر دیا گیا ہے۔ اس کے ساتھ ساتھ مزید مختلف قسم کے چار بجز مختلف صورتوں میں لگانے کی وجہ سے بجلی کی لاگت میں مجموعی طور پر 4.31 روپے فی کلوواٹ کا اضافہ ہوا۔ جبکہ کولنگ کی لاگت میں بھی اضافہ ہوا جس کی وجہ کولنگ کو اتارنے کی جگہ کراچی پورٹ ٹرسٹ سے پی آئی بی ٹی ایل منتقل کرنا ہے۔ جہاں پر اخراجات ڈالر کی صورت میں ادا کیے جاتے ہیں۔ مزید برآں حکومت کی جانب سے ٹرکوں کے لیے ایکسل لوڈ کی پابندی نافذ کرنے کی وجہ سے بھی مجموعی لاگت میں اضافہ ہوا۔

مقامی مارکیٹ میں سیمنٹ کی قیمتوں میں کمی اور اوپر بتائی گئی وجوہات کی وجہ سے اس عرصے کے دوران کمپنی کا خام منافع کم ہو کر 12 ملین روپے ہو گیا جو کہ گزشتہ سال اسی عرصے کے دوران 134 ملین روپے تھا۔

## ڈائریکٹرز جائزہ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی دستاویزات بابت سہ ماہی 30 ستمبر 2019 آپ کی خدمت میں پیش کر رہے ہیں۔

## جائزہ

دوران سال رواں کی پہلی سہ ماہی میں سیمنٹ کی صنعت میں مجموعی فروختگی 11.13 ملین ٹن کے اعتبار سے مجموعی طور پر مال کی رواںگی میں 2.59 فیصد کی شرح نمو ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 10.85 ملین ٹن تھا۔ مقامی سطح پر صنعت میں فروختگی کا حجم 9.12 ملین ٹن رہا اور اس اعتبار سے 0.62 فیصد کا اضافہ ریکارڈ کیا گیا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختگی کا حجم 9.02 ملین ٹن تھا۔ اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختگی کا مجموعی حجم 2.01 ملین ٹن رہا جس کے اعتبار سے 12.52 فیصد کا اضافہ ریکارڈ کیا گیا۔ جب کہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختگی کا یہ حجم 1.79 ملین ٹن تھا۔

شمالی زون میں واقع پلانٹس کی سیمنٹ کی فروخت میں مجموعی طور پر 7.54 فیصد کی شرح نمو ریکارڈ کی گئی۔ اس میں سے 9.13 فیصد کا اضافہ مقامی سطح پر سیمنٹ کی فروخت میں ہوا۔ جب کہ برآمدات میں 7.79 فیصد کی کمی ہوئی۔ شمالی زون میں واقع پلانٹس کی بہتر کارکردگی کے مقابلے میں جنوبی زون میں واقع پلانٹس کی مجموعی فروختگی میں 10.91 فیصد کی کمی ہوئی جس کی بنیادی وجہ مقامی سطح کی فروخت میں 32.10 فیصد کی کمی تھی۔ جب کہ اس کے برعکس برآمدات میں 27.03 فیصد کا اضافہ ہوا۔

## کارکردگی بر مبنی کاروباری افعال

زیر نظر دورانیے کے دوران کمپنی کی جانب سے پیداوار اور مال کی رواںگی کا جائزہ ذیل میں پیش خدمت ہے۔

تبدیلی فیصد میں	ٹنوں میں		پیداوار
	2019	2018	
کلنکر	154,159	139,658	
سیمنٹ	150,672	167,015	
مال کی رواںگی			
مقامی	124,147	150,154	
برآمدات	23,988	16,046	
مجموعی	148,135	166,200	

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## **FECTO CEMENT LIMITED**

35, Darul Aman Housing Society, Block 7 & 8  
Shahrah-e-Faisal, Karachi-75350

Phones: (+9221) 34530120-2, (+9221) 34530124

Website: [www.fectogroup.com](http://www.fectogroup.com)